

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:1574

ANSWERED ON:24.11.2016

Setting up of Consortium for Acquisition for Mineral Reserves

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Will the Minister of MINES be pleased to state:

- (a) whether there is shortage of all kinds of fertilizer minerals in the country and raw material of main fertilizers is dependent on its import, if so, the details thereof;
- (b) whether the Government proposes to set up consortium of public-private companies for acquisition of mineral reserves including fertilizer minerals from foreign countries to fulfil the shortage, if so, the details thereof and the efforts made by such consortium in this direction;
- (c) the names of such organisations and universities along with the quantum of funds/grants provided to them so far and the criterion set for such funding; and
- (d) the time by which these guidelines are likely to be implemented?

Answer

(a) There is no known source of potash reserves in the country and for phosphate, the country depends on imports for meeting its 90% requirement. Natural gas in the country is also scarce and the domestic gas allocated for fertilizer sector has been allocated exclusively for Urea. Production of ammonia required for producing Phosphorous, Nitrogen and Potassium fertilizers through imported Regasified Liquefied Natural Gas (RLNG) is very costly as compared to imported ammonia. Under the above conditions, indigenous production of P&K fertilizers is not always viable. Hence, most companies deal on imports to fill the gap between the requirement and indigenous production as the imported finished fertilizers are cheaper as compared to indigenous production in many cases.

(b) However, in order to ensure long term availability of raw materials/ intermediaries, the government is encouraging Indian companies to enter long-term off-take contracts at concessional rates, Joint-Venture to acquire mines in resource rich countries.

(c) and (d): Nil.